

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6258**

**BILL NUMBER:** HB 1252

**NOTE PREPARED:** Nov 14, 2003

**BILL AMENDED:**

**SUBJECT:** Drainage Liability.

**FIRST AUTHOR:** Rep. Ruppel

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** The bill provides that a governmental entity or employee is liable for a loss resulting from gross negligence, willful or wanton misconduct, or intentional misconduct in failing to provide adequate drainage from industrial or commercial sites. The bill also removes an expired provision.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** This bill potentially increases the number of lawsuits filed against governmental entities (defined as the state or a political subdivision of the state) and public employees of governmental entities. If a plaintiff is successful, there could be an increase in the damage awards that the state would have to pay. By statute, damage awards cannot exceed \$300,000 for the injury to, or death of, one person in any single occurrence and \$5 M for the injury to, or death of, all persons in that occurrence.

The Office of the Attorney General reports the amount of damages paid as a result of tort claims submitted and tort claim lawsuits filed against the state for FY 2003 as approximately \$5.9 M. The amount paid includes tort claims paid at the time of claim submission, settlements upon the filing of lawsuits, and claims paid as a result of a court order. It also includes cases in both federal and state court.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** By allowing a political subdivision or an employee of a political subdivision to be sued under the provisions of this bill, there is a potential for increase in the damages paid in a tort claim action. This bill would also increase expenditures associated with litigation.

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:** Political subdivisions.

**Information Sources:** Jennifer Thuma, Office of the Attorney General, (317) 233-6143.

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